

## Message Text

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ACTION EUR-12

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E.O. 11652: N/A

TAGS: EIND, EINV, FR

SUBJECT: REGIE RENAULT AGREEMENT WITH MACK TRUCK

REF: PARIS 12535

1. A LETTER OF INTENT WAS SIGNED ON JULY 27TH BETWEEN THE US TRUCK MANUFACTURER, MACK TRUCK, AND RENAULT-VEHICLES INDUSTRIELS (RVI). RVI IS A SUBSIDIARY OF THE NATIONALIZED COMPANY REGIE RENAULT, THE LEADING FRENCH AUTOMOBILE AND TRUCK MANUFACTURER WITH SALES OF 11 BILLION DOLLARS IN 1977. RVI ALSO CONTROLS SAVIEM, THE INDUSTRIAL VEHICLE BRANCH OF REGIE RENAULT, AND BERLIET, AN INDEPENDENT TRUCK AND BUS MANUFACTURER UNTIL ITS RECENT ACQUISITION BY RVI.

2. DANIEL CHEVALIER, SPOKESMAN FOR RVI, INFORMED EMBOFF THAT THE PROJECT HAS THREE OBJECTIVES:

-- MACK TRUCK IS TO MARKET IN THE UNITED STATES, FRENCH MADE RVI DIESEL-POWERED TRUCKS IN US CATEGORIES 6 AND 7 BETWEEN 10 AND 15 TONS, WHICH SUPPLEMENT THE MACK HEAVY TRUCK RANGE. RVI BELIEVES IT HAS TECHNICAL ADVANTAGES WHICH IT CAN USE TO GAIN A LIMITED OFFICIAL USE

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SHARE OF GROWING US DEMAND. RVI'S TRUCKS ARE NOT SOLD IN THE UNITED STATES AT THIS TIME.

-- MACK TRUCK AND RVI WILL STUDY THE FEASIBILITY FOR DISTRIBUTION IN EUROPE, PARTICULARLY IN FRANCE BY RVI OF TRUCKS PRODUCED BY MACK IN THE UNITED STATES. MACK CURRENTLY HAS ONLY 2 PERCENT OF THE FRENCH

MARKET FOR TRUCKS OF 20 TONS AND MORE. HOWEVER,  
COMPETITION BETWEEN SOME OF MACK'S MODELS  
WITH BERLIET'S RANGE MUST FIRST BE IRONED OUT.

-- THE TWO FIRMS WILL EXCHANGE INFORMATION  
IN CONTEMPLATION OF JOINT VENTURES TO PRODUCE NEW  
MODELS AND SUB ASSEMBLIES.

3. COMMENT: COMING LESS THAN FOUR MONTHS AFTER REGIE  
RENAULT'S PROTOCOL OF AGREEMENT WITH AMERICAN MOTORS,  
(SEE REFTEL), THE LETTER OF INTENT BETWEEN RVI AND  
MACK TRUCK REINFORCES RENAULT'S EFFORTS TO PENETRATE  
THE US MARKET.

IN VIEW OF ITS PAST DIFFICULTIES AND IN WORKING WITH  
INDEPENDENT US DEALERS, RENAULT IS NOW SEEKING ARRANGE-  
MENTS WITH TWO WELL-ESTABLISHED COMPANIES WITH DISTRI-  
BUTION NETWORDS. THIS SECOND PHASE OF ITS PLANS, THE  
AGREEMENT WITH MACK TRUCK, IS LIKELY TO BE IMPLEMENTED  
BEFORE THE ARRANGEMENT WITH AMERICAN MOTORS WHICH IS  
COMPLICATED BY THE LATTER'S FINANCIAL DIFFICULTIES.  
RENAULT'S EFFORTS TO GAIN A SHARE OF THE US MARKET ARE  
INDICATIVE OF GROWING FRENCH INDUSTRY INTEREST, ENCOUR-  
AGED BY THE GOF, IN CAPTURING A LARGER SHARE OF THE US  
MARKET. IT MAY BE NOTED THAT FRENCH EXPORTS TO THE  
UNITED STATES FOR THE FIRST 5 MONTHS OF 1978 ARE 53

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PERCENT AHEAD OF THE SIMILAR PERIOD FOR 1977. FRANCE,  
HOWEVER, STILL RUNS A LARGE DEFICIT IN BILATERAL TRADE,  
ALTHOUGH THE GAP IS NARROWING. END COMMENT  
HARTMAN

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NNN

## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 20 Mar 2014  
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**TAGS:** EIND, EINV, FR  
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